

DEPARTMENT OF SOCIAL SERVICES

744 P Street, Sacramento, CA 95814

(916) 445-7046



February 23, 1983

ALL-COUNTY LETTER NO. 83-12

TO: ALL COUNTY WELFARE DIRECTORS
ALL COUNTY AUDITORS
ALL COUNTY FISCAL OFFICERS
ALL COUNTY ADMINISTRATIVE SERVICES OFFICERS

SUBJECT: AFDC ASSISTANCE CLAIMING INFORMATION: EARNED INCOME CREDIT
ADJUSTMENTS AND CASES ENTITLED TO PREGNANCY SPECIAL NEED

REFERENCE:

Changes in federal and state AFDC Program regulations which occurred during Fiscal Year 1982 have necessitated changes in the reporting of AFDC adjustments. Included below are clarifying instructions applicable to these changes as well as other claiming areas in which questions were raised in AFDC workshops.

1. Reporting the payment of an adjustment resulting from the reconciliation of advance Earned Income Credit (EIC) to year-end EIC.

When the recipient has provided the necessary documentation and a determination is made that the year end EIC attributable to AFDC is less than the total advance EIC counted as income for the tax year, the AFDC recipient is compensated for AFDC benefits lost due to over-counting of EIC (MPP Section 44-101.325(b)(3)(B)). The EIC supplemental payment will be reported on Line 5 of the CA 800. Since this payment is not computed on a monthly basis, but rather represents an adjustment for the entire year, it will be substantiated on the integrated payroll by using the numbers of the tax year that the payment represents. For example, if the payment is for the 1981 tax year, you will use the four numbers (1981). If your system cannot accommodate a four-digit number, the last two digits of the tax year will be sufficient (81 or 82, etc.). It is not necessary to account for this payment by each individual month of the year as required in Fiscal Manual Section 25-740.5.

2. Claiming persons counts for suspended cases

A recipient's assistance is suspended, rather than terminated, when income or other circumstances in the corresponding budget month appear to result in ineligibility for only one payment month. The person's eligibility status is suspended for one month and automatically restored to aid payment status the following month.

No money payment or persons count is claimed for such cases on the payroll. Case I.D. number and name appear on the payroll; the suggested code is "S".

3. Assignment of an aid code to a case which includes:

- a) A pregnant woman with other children receiving AFDC.

The aid code is assigned based on the deprivation of the children currently in the assistance unit. Fiscal Handbook Section 25-502.243 provides that when deprivation of one or more of the children in the assistance unit is based on the unemployment of a parent, the case is designated as an AFDC-U (Aid Code 35) case.

In a case situation where the FBU consists of a pregnant mother and a child from a prior relationship, and the deprivation of the unborn, if born, would be based on the unemployment of the father, the aid code would be AFDC-FG (30) until the child is born, then the aid code would change to AFDC-U (35) to include newborn and father.

- b) A pregnant woman receiving AFDC with no other eligible children.

The aid code is the code which would be assigned to the case if the child were born and living with the mother.

4. Appropriate claiming of the pregnancy special need payment for:

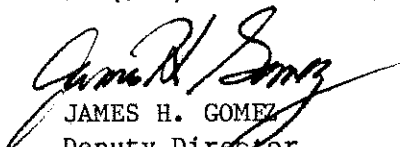
- a) A pregnant woman with other children receiving AFDC.

The appropriate reporting of the federal status of the pregnant woman in accordance with MPP Section 44-209.2 will provide for appropriate claiming of the special need payment.

- b) A pregnant woman with no other children receiving AFDC.

The appropriate reporting of the federal status of the pregnant woman in accordance with MPP Section 44-209.23 will provide for appropriate claiming of the special need payment. For a woman who does not meet the requirements of MPP Section 44-209.23, nonfederal participation is claimed for the pregnancy special need payment through the appropriate reporting of the nonfederal status of the pregnant woman (MPP Sections 44-209.42 and 44-209.43).

Any questions concerning these instructions should be referred to Betts Smith at (916) 323-0263 or ATSS (8) 473-0263.


JAMES H. GOMEZ
Deputy Director
Administration

cc: CWDA